## ARGUMENTS/REMARKS

Applicants would like to thank the Examiner for the careful consideration given the present application. The application has been carefully reviewed in light of the Office action, and amended as necessary to more clearly and particularly describe and claim the subject matter which applicants regard as the invention.

Claims 1-10 and 12-20 remain in this application. Claim 11 has been canceled.

Claims 7 and 9-20 were rejected under 35 U.S.C. §112, second paragraph, for being indefinite. The rejection of claims 7, 9-20 is most due to claim amendments.

Claims 1, 2, 9, 10, 12, 13, and 15 were rejected as being anticipated by Yanagihara *et al*. (U.S. 5,745,644). Claims 3, 4/1, 4/2, 4/3, 5, 8 and 11 were rejected under 35 U.S.C. §103(a) as being unpatentable over Yanagihara in view of Sethuraman *et al*. (U.S. 6,037,987). Claims 6, 7, and 16-19 were rejected under 35 U.S.C. §103(a) as being unpatentable over Yanagihara in view of Shimizu *et al*. (U.S. 5,748,245). For the following reasons, the rejections are respectfully traversed.

First, applicant takes issue with the manner in which the Examiner provides the rejections. The Examiner rejects claims 1, 2, 9, 10, 12, 13, and 15, in light of Yanagihara, but does not organize his rejections claim by claim. Instead, the Examiner merely lists numerous teachings of the references in a single long paragraph. Thus, it is difficult for applicant to respond to the rejections because of the disorganized nature of the rejections. Applicant requests that the Examiner organize the rejection claim by claim so that the applicant can more easily respond in a similar manner.

Claim 1 recites "rate correction data producing means" for producing "rate correction data to be added to said compressed moving picture data" wherein the rate correction data "is used by another apparatus to change the bit rate of said compressed moving picture data". Claim 9 recites similar limitations at lines 7-12. The cited references do not teach these limitations of claims 1 or 9.

The Examiner cites Yanagihara as teaching a moving picture coding apparatus according to claims 1, 9, and 12. However, as discussed in the prior response, Yanagihara does not teach the production of any "rate correction data" which is used by *another* apparatus to change the bit

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rate of already compressed moving picture data. Nowhere does Yanagihara even discuss *another* apparatus changing a *bit rate*.

In response to this previously supplied argument, the Examiner responds that circuit 14 of Yanagihara is considered the "another apparatus". For the reasons listed below, applicant disputes that Yanagihara provides any teaching that circuit 14 is an "another apparatus" and that any such interpretation is unreasonable.

First, circuit 14 is found in Fig. 1, which is described in the reference as being "a block diagram of the recording system of a digital VTR..." (col. 3, lines 26-27). Thus, each block in the diagram of FIG. 1 is merely a component of the digital VTR. There is nothing that suggests otherwise in either the Figure or the figure description.

Furthermore, Figure 1 is described as illustrating "the recording system of a digital VTR in accordance with an advantageous embodiment...". Again, this clearly implies that Figure 1 merely shows a collection of the components making up the digital VTR apparatus.

Finally, the specification discusses circuit 14 in col. 8, lines 16-42. There is no teaching that circuit 14 represents an "another apparatus" as suggested by the Examiner. Instead, one skilled in the art would clearly understand that the cited section is merely describing the component parts of the apparatus for encoding a digital video signal.

Consequently, the Examiner assertion is improper, because the reference does not teach that circuit 14 is an "another apparatus", and thus claims 1 and 9 are patentable over the reference for that reason.

Furthermore, claim 1 also recites that the rate correction data is "to be added to said compressed moving picture data". There is nothing in figure 1, nor in the specification, that shows rate correction data being added to compressed moving picture data. In fact, figure 1 clearly teaches that the input to circuit 14 (which the Examiner likens to the rate correction data) is input to circuit 14, whereas the compressed moving picture data is added to the compressed moving picture data, which is output by the recording heads 18A, 18B. Instead, the reference clearly teaches that the output of circuit 12 is used by circuit 14 to influence the operation of circuits 8 and 9 (see col. 8, lines 16-42). But there is nothing to suggest that the output of circuit 12 is added to anything at all. Accordingly, claims 1 and 9 are patentable for this reason as well.

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Thus, claim 1 is patentable over Yanagihara. None of the other references overcome the shortcomings of Yanagihara (neither suggest the "another" apparatus), and thus the claims are also patentable over the combination of references as well.

Claims 2-8, which depend, directly or indirectly, on claim 1, and claims 10-11, which depend on claim 9, are thus also patentable over the reference for at least the same reasons as their parent claim.

Claim 12, as amended, recites bit rate correction means:

for selecting rate correction data, for each frame, from compressed moving picture data input to said apparatus so as to comply with a bit rate to be output, and also for replacing the selected rate correction data with compressed moving picture data so that another moving picture data having a different bit rate is synthesized, wherein the bit rate is changed based on said rate correction data without decoding all of said inputted moving picture data

The Examiner cites circuit 14 and col. 7, line 55 to col. 8, line 43 as teaching changing the bit rate without decoding all of the inputted moving picture data. However, there is no suggestion that the inputted data to Yanagihara is compressed. In fact, the input to the Yanagihara device (at terminals 1A, 1B, and 1C) is taught to be a digital luminance signal, not a compressed signal. Hence, claim 12 is patentable over the reference.

Claim 15 recites "means for adding said rate correction data to said compressed moving picture data for outputting outputted moving picture data". As discussed above for claims 1 and 9, the reference does not suggest any means for adding rate correction data for outputting moving picture data.

Furthermore, claim 15 recites:

means for producing rate correction data including information about said encoded video packets, wherein said rate correction data is used for changing a bit rate of said compressed moving picture data without decoding said encoded video packets...

The reference does not suggest using rate correction data to change a bit rate of a *compressed* moving picture data without decoding. As discussed above, the Examiner cites circuit 14 and col. 7, line 55 to col. 8, line 43 as teaching changing the bit rate without decoding all of the inputted moving picture data. However, there is no teaching that any input to the Yanagihara device is *compressed* moving picture data. As also discussed above, the reference instead discloses only

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Accordingly, claims 12 and 15 are patentable over the reference. Claims 13-14, which depend on claim 12, and claims 16-20, which depend, directly or indirectly, on claim 15, are thus also patentable over the reference for at least the same reasons as their parent claims.

Furthermore, the Examiner has not provided the proper motivation for combining the references. The burden is on the Examiner to make a prima facie case of obviousness (MPEP §2142). To support a prima facie case of obviousness, the Examiner must show that there is some suggestion or motivation to modify the reference (MPEP §2143.01). The mere fact that references can be combined or modified, alone, is not sufficient to establish prima facie obviousness (Id.). The prior art must also suggest the desirability of the combination (Id.). The fact that the claimed invention is within the capabilities of one of ordinary skill in the art is not sufficient, by itself, to establish prima facie obviousness (Id.).

Merely listing an advantage or benefit of the combination is not sufficient, as some rationale for combining the references must be found in the references themselves, or drawn from a convincing line of reasoning based on established scientific principles practiced by one skilled in the art that some advantage or beneficial result would be produced by the combination (MPEP §2144). "To reach a proper determination under 35 U.S.C. 103, the examiner must step backward in time and into the shoes worn by the hypothetical 'person of ordinary skill in the art' when the invention was unknown and just before it was made [and] the examiner must then make a determination whether the claimed invention 'as a whole' would have been obvious at that time to that person." (MPEP §2142, emphasis added). It is not proper to merely combine various elements from various references. The invention must be obvious "as a whole", not as a piecemeal combination of elements from various references.

Accordingly, the rejections for obviousness are not supported by the Office action and thus the rejections are improper, and should be withdrawn.

In consideration of the foregoing analysis, it is respectfully submitted that the present application is in a condition for allowance and notice to that effect is hereby requested. If it is determined that the application is not in a condition for allowance, the Examiner is invited to initiate a telephone interview with the undersigned attorney to expedite prosecution of the present application.

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If there are any additional fees resulting from this communication, please charge same to our Deposit Account No. 16-0820, our Order No. 33872.

Respectfully submitted,

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